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SUBJECT: MALI STRENGTHENS ECONOMIC TIES WITH IRAN

1.(U) Summary. In an effort to strengthen bilateral ties, Iranian Foreign Minister Manouchehr Mottaki visited Mali on March 24. Here on what was billed as a working visit ahead of a possible trip by Iranian President Mahmoud Amadinejad later this year, Mottaki met with Malian President Ahmadou Toumani Toure, Foreign Minister Moctar Ouane, the Minister of Agriculture, and the Minister of Economy, Industry, and Trade. Mottaki and Ouane discussed a number of sectors, with a particular focus on re-starting a stalled hydroelectric dam project financed by the Iranian Export and Development Bank. Mottaki and Ouane pledged to facilitate tourist and business travel between the two countries and to increase business ties via the establishment of a liaison office in Bamako. Ouane also expressed support for an Iranian proposal to host an Africa-Iran summit in 2009. Local media portrayed the visit as indicative of improved Mali-Iran relations following a falling out several years ago over another stalled development project - a USD 10 million bridge for the northern city of Gao - that Iran promised to fund but never delivered. End Summary.

An Ambitious Agenda for a Brief Visit

2.(U) Iranian Foreign Minister Manouchehr Mottaki marked his first official visit to Mali on March 24. Mottaki praised the Malian government's efforts toward economic growth and development, and pledged support for increased bilateral cooperation. Mottaki met with Malian President Amadou Toumani Toure, Foreign Minister Moctar Ouane, and Mali's Economic and Agricultural Ministers to discuss cooperation on a wide range of issues, including energy, agriculture, mining, manufacturing, housing, trade, and science and technology. One Malian newspaper interpreted the visit as a sign of the "warming" of relations between Mali and Iran, while other newspapers celebrated the "excellent" relations between the two countries. The Malian government's news outlet, l'Essor, adopted a more measured stance, sticking primarily to details as opposed to adjectives. According to l'Essor, Mottaki praised the "convergence of view points" between Mali and Iran and noted that both countries are Muslim non-aligned nations belonging to the Organization of the Islamic Conference and the UN.

3.(U) Chief among the issues discussed was the construction of a hydroelectric dam, which would give a much needed boost to Mali's energy sector. The project has been stalled since 2005 when Mali and Iran first agreed to build a hydroelectric dam in Kenie, 35 kilometers outside of Bamako. An Iranian company, Pars Hydro Kenie, was supposed to build the dam with financing from the Iranian Export and Development Bank in a build-operate-transfer agreement to be completed over the course of 14 years. However, the project is still awaiting financing to the tune of an estimated CFA 65.5 billion (USD 131 million) from the Iranian government. Malian newspapers reported that Iranian President Mahmoud Amadinejad hoped to inaugurate the project personally during a bricklaying ceremony sometime later this year.

4.(U) In a bid to further strengthen bilateral relations, Mottaki and Ouane reiterated their support for another 2005 agreement to facilitate tourist and business travel between the two countries. They discussed the possibility of the opening of a liaison office in Bamako to assist in facilitating travel and investment. In the area of agricultural development, Mottaki agreed to a Malian request to supply 300 motorized pumps for irrigation systems. Finally, Ouane expressed support for an Iranian proposal to host an Africa-Iran summit later this year.

Comment: Taking the Temperature of Mali-Iran Relations

5.(SBU) Mali and Iran established diplomatic relations in 1988 with the opening of an Iranian Embassy in Bamako. Mali has had diplomatic representation in Tehran since the late 1990s. Former Iranian President Seyyed Muhammad Khatami visited in January 2005 and the Iranian Minister of Energy, Habiballah Bitaraf, traveled to Mali a few months later. President Toure returned the courtesy by visiting Iran in late 2005. In October 2007, Iran provided the Malian government with fifty 4x4 vehicles reportedly assembled in Iran.

6.(SBU) Although Malian media portrayed Mottaki's visit as a success for bilateral relations, several papers including Mali's government run newspaper l'Essor sounded some sour notes by alluding to the contentious issue of a USD 10 million line of credit promised by Iran earlier this decade for the construction of a bridge over the Niger river in Gao

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and the paving of the road from Koulikoro to Banamba, just north of Bamako. The line of credit never materialized, forcing Mali to scramble for other means of financing the bridge, which was eventually completed in late 2006 with support from the Islamic Development Bank in time to serve as a key plank in President Amadou Toumani Toure's 2007 presidential re-election campaign. The l'Essor hinted at the bitterness of Mali's experience with Iran over the bridge issue. According to l'Essor Foreign Minister Moctar Ouane observed that Mottaki's presence in Bamako indicated a willingness to "begin normalizing" relations between the two countries - an indication that ties between the two countries had been somewhat less than normal since the Gao bridge debacle.

7.(SBU) While Iran's failure to follow through with its promised credit offer is clearly not forgotten, Mali seems poised to look forward, giving Iran a second chance to make good on its financial commitments by restarting another stalled development project. It is somewhat more difficult to know whether this visit truly signifies a "warming" of relations as one local newspaper suggested, or if this was just the latest example of the political calculations an impoverished, landlocked country like Mali makes to secure an eclectic assortment of allies capable of delivering development aid.

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